

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

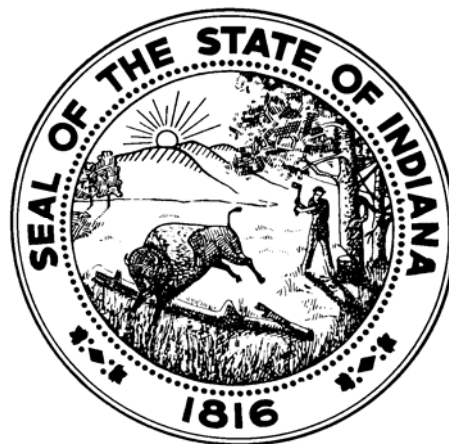
EXAMINATION REPORT

OF

TOWN OF WHEATFIELD

JASPER COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
03/14/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cynthia M. Davis	01-01-04 to 12-31-07
President of the Town Council	Donald R. Gear II	01-01-05 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WHEATFIELD, JASPER COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Wheatfield (Town), for the period of January 1, 2005 to December 31, 2006. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 28, 2007

TOWN OF WHEATFIELD
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 161,221	\$ 180,755	\$ 189,008	\$ 152,968
Motor Vehicle Highway	56,370	23,477	22,785	57,062
Local Road and Street	13,599	4,207	-	17,806
Police Grant	1,579	1,300	1,614	1,265
Law Enforcement Continuing Education	262	110	259	113
Riverboat	4,868	4,868	2,040	7,696
Rainy Day	1,980	-	-	1,980
Park Donation	-	2,270	1,649	621
Cumulative Capital Improvement	10,871	2,386	-	13,257
Cumulative Capital Development	27,888	5,539	2,408	31,019
Cemetery	22,719	5,250	3,424	24,545
Proprietary Funds:				
Wastewater Utility - Operating	290,993	465,549	433,167	323,375
Wastewater Utility - Bond and Interest	260,000	-	260,000	-
Wastewater Utility - Debt Reserve	96,006	12,760	-	108,766
Totals	<u>\$ 948,356</u>	<u>\$ 708,471</u>	<u>\$ 916,354</u>	<u>\$ 740,473</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 152,968	\$ 172,057	\$ 221,238	\$ 103,787
Motor Vehicle Highway	57,062	28,294	35,217	50,139
Local Road and Street	17,806	4,152	10,000	11,958
Police Grant	1,265	2,000	1,225	2,040
Law Enforcement Continuing Education	113	72	140	45
Riverboat	7,696	4,858	1,365	11,189
Rainy Day	1,980	6,020	-	8,000
Donation	621	200	731	90
Cumulative Capital Improvement	13,257	2,758	-	16,015
Cumulative Capital Development	31,019	5,487	8,107	28,399
Cemetery	24,545	4,000	4,458	24,087
Economic Development Income Tax	-	14,520	3,500	11,020
Levy Excess	-	2,558	-	2,558
Proprietary Funds:				
Wastewater Utility - Operating	323,375	218,533	256,248	285,660
Wastewater Utility - Bond and Interest	-	80,085	80,085	-
Wastewater Utility - Debt Reserve	108,766	-	-	108,766
Wastewater Utility - Trash	-	11,214	10,137	1,077
Totals	<u>\$ 740,473</u>	<u>\$ 556,808</u>	<u>\$ 632,451</u>	<u>\$ 664,830</u>

The accompanying notes are an integral part of the schedules.

TOWN OF WHEATFIELD
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF WHEATFIELD
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
For the Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
1993 Wastewater Improvements	\$ 395,000	\$ 55,000

TOWN OF WHEATFIELD
EXAMINATION RESULTS AND COMMENTS

INTEREST ON INVESTMENTS

Interest earned on some investments was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

Information presented for the audit indicates the Town and the Wastewater Utility do not maintain detailed records of capital assets. Upon purchase, the costs of the capital assets should be added to an aggregate capital asset account, and to subsidiary accounts for land, buildings, etc., in the General Ledger.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ERRORS ON CLAIMS

The following deficiency was noted on claims during the audit period:

Claims or invoices did not have evidence to support receipt of goods or services.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

TOWN OF WHEATFIELD
EXIT CONFERENCE

The contents of this report were discussed on February 28, 2007, with Cynthia M. Davis, Clerk-Treasurer; and Donald R. Gear II, President of the Town Council. The officials concurred with our findings.